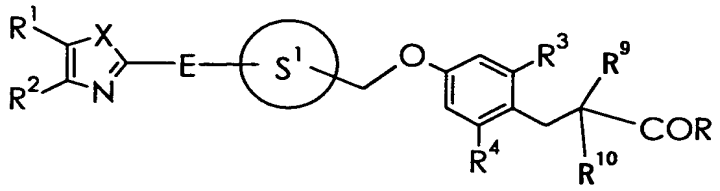
Claims

1. A compound represented by the formula (I)



(I)

wherein X is S or O,
R^1 and R^2 are the same or different and each is a hydrogen atom, an optionally substituted C_{6-14} aryl group, an optionally substituted heterocyclic group or an optionally substituted C_{1-6} alkyl group, or R^1 and R^2 are bonded to each other to form a ring together with the carbon atom they are bonded to,
E is $-W^1-N(R^5)-W^2-$, $-W^1-CH(R^6)-O-W^2-$, $-W^1-O-CH(R^6)-W^2-$, $-W^1-S(O)n-W^2-$ or $-W^1-CH(R^6)-W^2-$ (W^1 and W^2 are the same or different and each is a bond or an optionally substituted C_{1-3} alkylene group, R^5 and R^6 are each an optionally substituted heterocyclic group or an optionally substituted hydrocarbon group, and n is 1 or 2, provided that when X is S, then R^5 and R^6 are not C_{1-6} alkyl groups),
ring S^1 is a benzene ring or pyridine ring each optionally further having substituent(s) selected from an optionally substituted C_{1-6} alkyl group, an optionally substituted C_{1-6} alkoxy group and a halogen atom,
R^3 and R^4 are the same or different and each is a hydrogen atom, a halogen atom, an optionally substituted C_{1-6} alkyl group or an optionally substituted C_{1-6} alkoxy group,
R^9 and R^{10} are the same or different and each is a hydrogen atom, a halogen atom or a C_{1-6} alkoxy group, and
R is an optionally substituted hydroxy group or an optionally substituted amino group,
or a salt thereof.

2. The compound of claim 1, wherein E is $-W^1-N(R^5)-W^2-$, $-W^1-CH(R^6)-O-W^2-$, $-W^1-O-CH(R^6)-W^2-$ or $-W^1-CH(R^6)-W^2-$ (W^1 and W^2

are the same or different and each is a bond or an optionally substituted C_{1-3} alkylene group, and R^5 and R^6 are each an optionally substituted heterocyclic group or an optionally substituted hydrocarbon group, provided that when X is S, then R^5 and R^6 are not C_{1-6} alkyl groups),
ring S^1 is a benzene ring optionally further having substituent(s) selected from an optionally substituted C_{1-6} alkyl group, an optionally substituted C_{1-6} alkoxy group and a halogen atom, and
R^9 and R^{10} are hydrogen atoms,
or a salt thereof.

3. A prodrug of a compound of claim 1 or a salt thereof.

4. The compound of claim 1, wherein R^3 and R^4 are the same or different and each is a hydrogen atom or a halogen atom, or a salt thereof.

5. The compound of claim 1, wherein E is $-W^1-N(R^5)-W^2-$ (W^1 and W^2 are the same or different and each is a bond or an optionally substituted C_{1-3} alkylene group, and R^5 is an optionally substituted heterocyclic group or an optionally substituted hydrocarbon group, provided that when X is S, then R^5 is not a C_{1-6} alkyl group), or a salt thereof.

6. The compound of claim 5, wherein R^5 is an optionally substituted C_{7-16} aralkyl group, or a salt thereof.

7. The compound of claim 1, wherein R is a hydroxy group, or a salt thereof.

8. The compound of claim 1, wherein X is S, or a salt thereof.

9. The compound of claim 1, wherein ring S^1 is a benzene ring, or a salt thereof.

10. The compound of claim 1, wherein both R^9 and R^{10} are hydrogen atoms, or a salt thereof.

11. 3-[4-[[4-[[(2-Phenylethyl)(4-phenyl-1,3-thiazol-2-yl)amino]methyl]benzyl]oxy]phenyl]propanoic acid, 3-[2,6-difluoro-4-[[4-[[(2-phenylethyl)(4-phenyl-1,3-thiazol-2-yl)amino]methyl]benzyl]oxy]phenyl]propanoic acid, 2-fluoro-3-{4-[(4-{[(2-phenylethyl)(4-phenyl-1,3-thiazol-2-yl)amino]methyl}benzyl)oxy]phenyl}propanoic acid, 3-{2-fluoro-4-[(4-{1-[(4-phenyl-1,3-thiazol-2-yl)sulfonyl]butyl}benzyl)oxy]phenyl}propanoic acid, or a salt thereof.

12. A GPR40 receptor function modulator comprising a compound of claim 1 or a salt thereof or a prodrug thereof.

13. A pharmaceutical agent comprising a compound of claim 1 or a salt thereof or a prodrug thereof.

14. The pharmaceutical agent of claim 13, which is an agent for the prophylaxis or treatment of diabetes.

15. Use of a compound of claim 1 or a salt thereof or a prodrug thereof for the production of a GPR40 receptor function modulator.

16. Use of a compound of claim 1 or a salt thereof or a prodrug thereof for the production of an agent for the prophylaxis or treatment of diabetes.

17. A method of modulating GPR40 receptor function in a mammal, which comprises administering an effective amount of a compound of claim 1 or a salt thereof or a prodrug thereof to the mammal.

18. A method for the prophylaxis or treatment of diabetes in a mammal, which comprises administering an effective amount of a compound of claim 1 or a salt thereof or a prodrug thereof to the mammal.